REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY, CALIFORNIA AND RECORD OF ACTION

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June 22, 2004

FROM: DAVID H. SLAUGHTER, Director

Real Estate Services Department

THOMAS R. LAURIN, Director

Department of Economic and Community Development

SUBJECT: LEASE AGREEMENT AND MAINTENANCE AND OPERATION CONTRACT

WITH POMONA VALLEY WORKSHOP, INC.

RECOMMENDATIONS:

1. Approve Amendment No. 1 to Lease Agreement No 98-788 with Pomona Valley Workshop, Inc. (PVW) to extend the term through September 14, 2008 for 28,212 square feet for a vocational training center in Montclair for revenue in the amount of \$2,500. (Four votes required)

2. Approve Amendment No. 1 to the Maintenance and Operation Contract No. 98-789 with PVW to extend the term through September 14, 2008 to provide maintenance for 28,212 square feet of leased space in the County-owned building in Montclair at no cost to the County.

BACKGROUND INFORMATION: On September 15, 1998, the Board approved a five-year lease agreement, No. 98-788, and a maintenance and operation agreement, No. 98-789, each with three five-year options to extend, for 28,212 square feet of space in the County-owned facility located at 4669 Holt Boulevard in Montclair. The original term of the lease was September 15, 1998 through September 14, 2003.

The facility was initially purchased in 1992 by the County using Community Development Block Grant (CDBG) funds. PVW is eligible under CDBG program regulations to lease the facility to provide vocational training to seniors and disabled persons. The maintenance and operation contract requires PVW to maintain the facility and provide eligible services and activities in accordance with the requirements of the County and CDBG program regulations.

The Economic and Community Development Department (ECD) requested the Real Estate Services Department (RESD) extend the term of Lease Agreement No. 98-788 and the term of Maintenance and Operation Contract No. 98-789 for five years through September 14, 2008. The lease is in holdover because of protracted negotiations with the lessee.

The terms of the lease are summarized as follows:

Lessee: Pomona Valley Workshop, Inc.

(Karen Jones, Executive Director)

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LEASE AGREEMENT AND MAINTENANCE AND OPERATION CONTRACT WITH POMONA VALLEY WORKSHOP, INC.

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Location: 4669 Holt Boulevard, Montclair

Size: 28,212 square feet

Term: Five years, commencing and retroactive to September 15, 2003

Options: Two five-year options remain

Annual revenue: \$500

Improvement costs: None

Custodial cost: Provided by Lessee under Lease Agreement No. 98-789

Maintenance: Provided by Lessee under Maintenance and Operation Contract No. 98-789

Utilities: Provided by Lessee

Right to terminate: County has the right to terminate with 30-days notice

REVIEW AND APPROVAL BY OTHERS: This item has been approved by County Counsel (Fiona Luke, Deputy County Counsel, 387-5474) on March 10, 2004; ECD Administration (Chris Moore, ECD Analyst, 388-0822) on June 3, 2004; and the County Administrative Office [Daniel R. Kopp (387-3828) and Patricia Cole (387-5346), Administrative Analysts] on June 14, 2004.

FINANCIAL IMPACT: Leasing this County-owned property will provide revenue to ECD (SAU ECD) of \$500 per year. The Maintenance and Operation Contract provides maintenance to the County-owned facility at no cost to the County.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's and RESD's proposal, and recommends this item because these agreements with PVW facilitate the availability of vocational training to seniors and disabled persons in the Montclair area.

SUPERVISORIAL DISTRICT: Fourth

PRESENTER: David H. Slaughter, Director, 387-7813

MC: 387-7816 bas: 387-7830